

### REMARKS/ARGUMENTS

Claims 1-20 are pending in this application.

In the Advisory Action dated November 7, 2006, the Examiner indicated that the rejection of claims 1-20 under 35 U.S.C. § 103(a) as being unpatentable over Chang et al. "The Effects of Refractory Metals on the Magnetic Properties of  $\alpha$ -Fe/R<sub>2</sub>Fe<sub>14</sub>B-Type Nanocomposites" has been overcome by the arguments in the Request for Reconsideration filed on October 20, 2006. However, the Examiner indicated that the Request for Reconsideration does not place the Application in condition for allowance because the Examiner alleged that Examples 6 and 7 of Ma et al. (U.S. 6,332,933) disclose an *alloy* which contains 0.525% La. Applicants respectfully disagree.

During the Telephone Interview on November 13, 2006, Applicants' representative explained that the Examiner misinterpreted the feature of "R is at least one rare-earth element substantially excluding La and Ce," as recited in Applicants' claim 1. In particular, the Examiner referred to the La content in the *alloy* instead of the La content in the *rare earth element R*. As clearly recited in claim 1, and disclosed in paragraph [0176] in Applicants' originally filed specification, **the La content is with respect to the rare earth element R, not the alloy.**

Applicants have attached hereto data from X-ray fluorescence analysis of the content of La in a rare earth element R that would be used in the present invention. Additionally, the content of La in an alloy using this rare earth element R having a composition according to Example 1 of the present invention is also provided for the purpose of comparison (see page 8 of the Remarks/Arguments and paragraph [0244]+ in the originally filed specification). As clearly indicated in the bottom table, **the average La content in the rare earth element R is 0.04 at%.**

In contrast, Ma et al. disclose that the content of the rare earth element is represented by the formula "(Nd<sub>0.95</sub>La<sub>0.05</sub>)" (see, for example, Examples 6 and 7 of Ma et al.). **This means that the La content is 5% of the rare earth element.** In other words, Nd comprises 95% and La comprises 5% of the rare earth element.

Accordingly, Ma et al. do not teach or suggest the feature of "R is at least one rare-earth element substantially excluding La and Ce," as recited in claim 1, wherein the term substantially excluding La and Ce means that the content of La and Ce in the rare earth element R is about 0.5 at% or less. The Examiner has previously indicated in paragraph 3 on page 3 in the Office Action dated June 20, 2006 that the language "substantially excluding La and Ce" has been interpreted to mean that the La and/or Ce content is about 0.5 at% or less.

Accordingly, Applicants respectfully request reconsideration and withdrawal of the rejection of claim 1 under 35 U.S.C. § 103(a) as being unpatentable over Ma et al.

In view of the foregoing remarks, Applicants respectfully submit that claim 1 is allowable. Claims 2-20 depend upon claim 1 and are therefore allowable for at least the reasons that claim 1 is allowable.

In view of the foregoing remarks, Applicants respectfully submit that this application is in condition for allowance. Favorable consideration and prompt allowance are solicited.

The Commissioner is authorized to charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 50-1353.

Respectfully submitted,

Dated: December 18, 2006

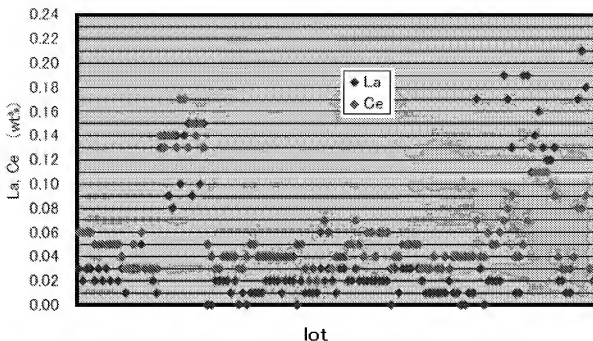
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La and Ce impurities contents in Rare Earth Material (133 lots) of  
SANTOKU Corporation  
(X-ray Fluorescence Analysis data provided from SANTOKU Corporation)



	La (wt%)	Ce (wt%)
Max	0.21	0.17
Min	ND	0.02
Average	0.04	0.06
$\sigma$	0.05	0.03

ND (not detectable): less than 0.01 wt%

$\text{Nd}_{8.9}\text{B}_{12.6}\text{C}_{1.4}\text{Ti}_{3.0}\text{Nb}_{1.0}\text{Fe}_{73.1}$  (Example 1 of the present application)

	La (at%) <sup>1</sup> in Rare Earth	La (at%) in Alloy
Max	0.21	0.019
Min	-	-
<b>Average</b>	<b>0.04</b>	<b>0.004</b>

<sup>1</sup> difference in atomic weights of La(139), Ce(140) and Nd(144) is ignored